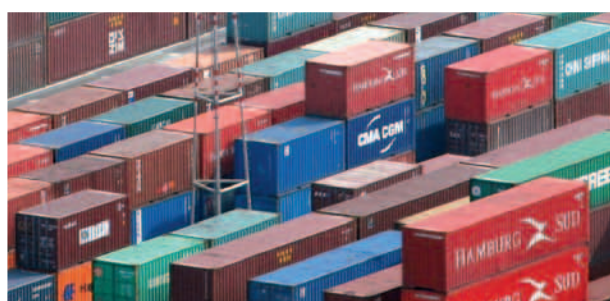




BARCELONA

DATA SHEET 2007



PRESENTATION

The publication we have the pleasure to present has become a particularly useful tool over the past five years for providing a complete systematic description of Barcelona's economic potential.

In *Barcelona Data Sheet 2007* you will find detailed and updated information on the main indicators of economic activity in Catalonia's capital city.

You will also be able to read the objective reasons for Barcelona to be regarded as one of the most prominent European cities in the field of business. This fact is confirmed by independent organisations that have placed it at the forefront in Europe alongside capitals including London, Paris and Frankfurt that have historically been considered the continent's economic drivers.

The publication has evolved over the years to offer a comprehensive, more detailed description of features including the city's economic diversity, employment, new technologies and infrastructures, with two specific aims in mind: to adapt it to Barcelona's context of economic expansion, and to offer potential investors more and better information.

We thus hope that the 22 pages that comprise the *Barcelona Data Sheet 2007*, published in English, Catalan and Spanish, will provide an adequate response to the expectations of businesspeople who have a special interest in our city's possibilities.

Jordi William Carnes
Deputy Mayor of Barcelona

INDEX

1. Barcelona, metropolis of the Mediterranean	5
1.1. Location, area and population	5
1.2. Demography of Barcelona	6
1.3. Foreign population	6
2. Economic driver with a diversified structure	7
2.1. Economic activity and growth	7
2.2. Product per capita	7
2.3. Specialised production	8
2.4. Companies	8
2.5. Trading companies	9
2.6. Entrepreneurial spirit	9
3. Employment, training and talent	9
3.1. Activity, employment and unemployment rates	9
3.2. Jobs in Barcelona	9
3.3. Competitive salaries	10
3.4. University and higher education training	10
3.5. International schools	11
4. Knowledge City	11
4.1. The knowledge economy in Barcelona	11
4.2. The ICT sector in Catalonia and Barcelona	12
4.3. Barcelona, southern European leader in ICT penetration	12
5. Real estate for businesses	13
5.1. Offices	14
5.2. Industrial land and property	15
5.3. Commercial property	15
5.4. International comparison of business real estate prices	16
6. An economy open to the world	16
6.1. Foreign investment in Catalonia	16
6.2. Catalan investment abroad	17
6.3. Exports	17
6.4. Port of Barcelona	19
6.5. Barcelona Airport	19
7. A major tourist destination and city for fairs and congresses	20
7.1. Urban tourist destination	20
7.2. Tourist cruises	21
7.3. Congresses, conventions and incentive trips	21
7.4. Fira de Barcelona	22
8. Quality of life	23
8.1. Climate and environment	23
8.2. Sustainable mobility	23
8.3. Vibrant cultural events	24
8.4. Sporting activities	25
8.5. Competitive cost of living	25
8.6. Residential real estate market	25
9. New projects for the future	26
10. International positioning	28
11. For further information	30

1. BARCELONA, METROPOLIS OF THE MEDITERRANEAN

1.1. Location, area and population

Barcelona is the economic, cultural and administrative capital of Catalonia and one of Europe's main metropolises. It is located on the shores of the Mediterranean, in the north-east of Spain. Two hours from France by road and well communicated with Europe's major cities, the city boasts a strategic geographical location.

With almost 1.6 million inhabitants and an area of only 100 km², Barcelona has one of the highest densities in Europe, particularly bearing in mind that it attracts a large number of tourists and visitors throughout the year.

Barcelona heads an extensive metropolitan region with almost 200 municipalities that is home to 4.7 million inhabitants. It is also the centre of an economic euroregion with a population of over 17 million that comprises the Balearic Islands, Valencia, Aragon and south-west France.



Population and surface area

	Population January 2006 (inhabitants)	Population weight of Barcelona (%)	Surface area (km²)	Population density (inhabitants/km²)
Barcelona	1,605,602	100.0%	101	15,897
Metropolitan region	4,841,365	33.2%	3,236	1,496
Catalonia	7,134,697	22.5%	31,895	224
Spain	44,708,964	3.6%	505,988	88

Source: Barcelona City Council and INE

1.2. Demography of Barcelona

Barcelona's age structure is similar to that of other leading European cities. The birth rate has risen slightly in recent years, as has the base of young inhabitants. Life expectancy in Barcelona continues to increase gradually and is among the highest in Europe (83.5 years for women and 76.8 years for men, according to data from 2003).

Demographic indicators of Barcelona

Age structure (2005)	
- 0 to 14 years	11.7%
- 15 to 64 years	67.6%
- 65 and over	20.7%
Birth rate (2005)	
Births per 1,000 inhabitants	8.9
Death rate (2005)	
Deaths per 1,000 inhabitants	10.1

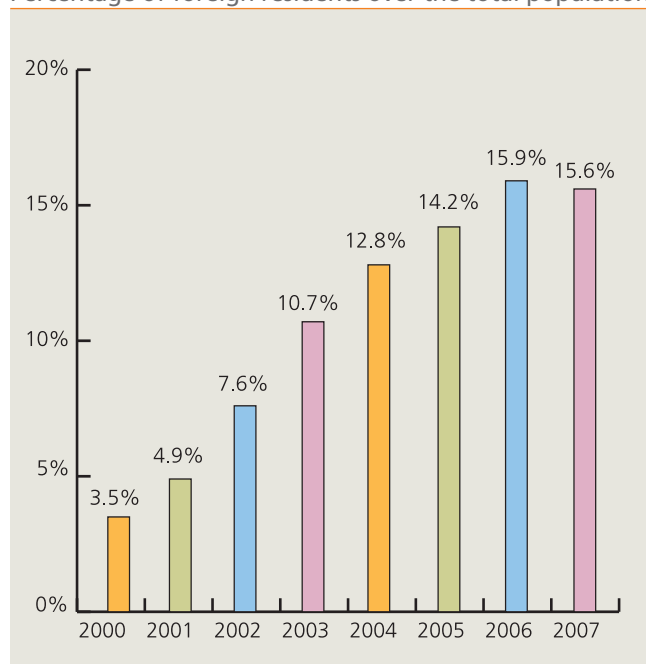
Source: Barcelona City Council

The arrival of immigrants to Barcelona has rejuvenated the city's population. This influx has increased the specific weight of the group comprising minors under the age of 15 with regard to the total population, while reducing the rate of over 65s.

1.3. Foreign population

The welcoming, hospitable nature of the city attracts foreigners and many decide to take up residence here. The foreign population, over 250,789 in January 2007, represents 15.6% of the total number of residents. As shown in the following graph, the growth rate of this group has been particularly high in recent years.

Percentage of foreign residents over the total population

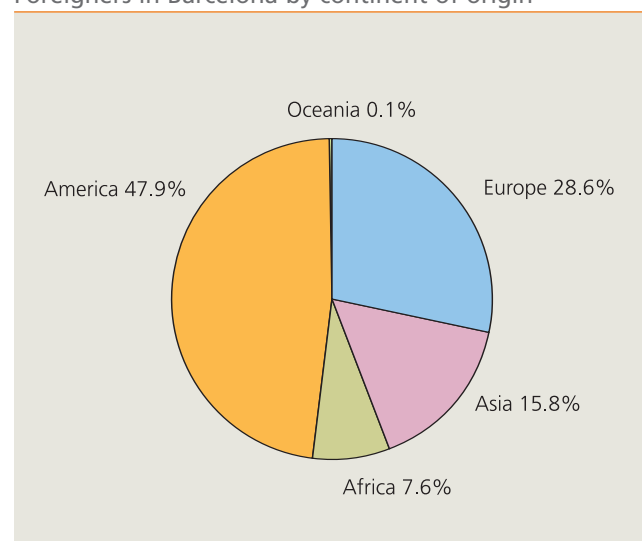


Source: Barcelona City Council (January 2007)

During 2007, and for the first time since 2001, the number of foreign residents has fallen slightly in both absolute and relative terms, representing a 3.6% decline in the city as a whole. The country of origin of foreign residents has also varied, with citizens from Italy, France, Germany and the United Kingdom holding a leading position in the number of foreigners in our city.

The arrival of new citizens adds to the increasingly diverse nature of the city, which now hosts over 150 nationalities. Due to the large number of Latin Americans, America is the main continent of origin, followed by Europe, Asia and Africa.

Foreigners in Barcelona by continent of origin



Source: Barcelona City Council (January 2007)

Nº foreigners in Barcelona by countries. January 2007

Ecuador	25,351
Italy	17,556
Bolivia	16,352
Peru	14,439
Morocco	13,348
Pakistan	13,093
Colombia	12,436
China	11,095
France	10,720
Argentina	10,074
Brazil	6,985
Dominican Rep.	6,556
Germany	6,277
Philippines	6,188
United Kingdom	5,365

Source: Barcelona City Council (January 2007)

The average age of foreigners in Barcelona is 32, which has helped to rejuvenate the city's age structure and increase its economically active population. 46.1% of foreign residents have completed primary education, 29.3% have higher education, and 23.3% have completed secondary education.

2. ECONOMIC DRIVER WITH A DIVERSIFIED STRUCTURE

2.1. Economic activity and growth

The Gross Domestic Product (GDP) measures the value of economic activity in financial terms within a given area during a one-year period. According to the Statistical Institute of Catalonia (IDESCAT), the value of Catalan economic production in 2006 was 195,284 million euros, equivalent to 20% of the Spanish total. Catalonia is the leading region in terms of contributions to the Spanish GDP and second with regard to population.

Gross Domestic Product (GDP) at market prices

Base year 2000. In millions of euros

	Spain	Catalonia	Percentage Catalonia / Spain
2005	905,455	181,029	20%
2006	976,189	195,284	20%

Source: IDESCAT and National Statistical Institute (INE)

The annual rate of change of the GDP in real or constant terms (without taking into account the effect of inflation) gives us a reliable indicator of the area's global economic growth.

Economic growth

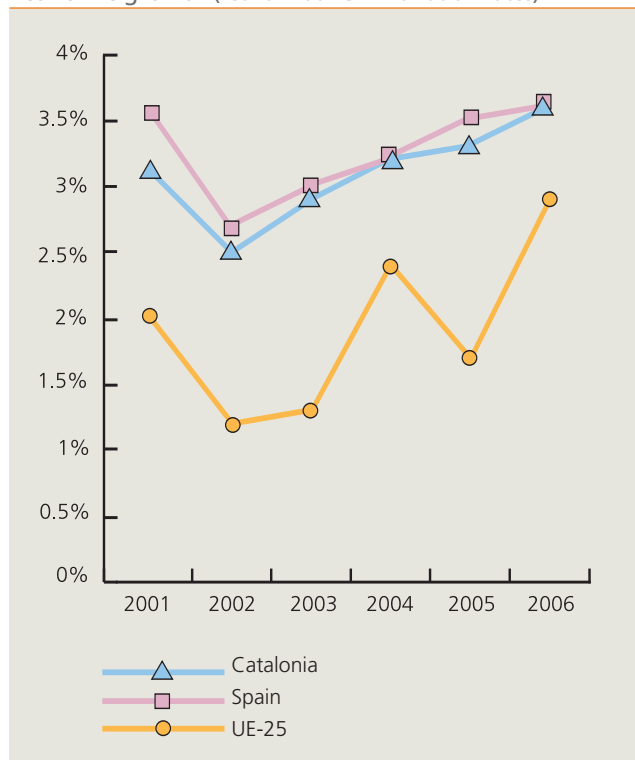
Annual rates of change in GDP at constant prices

	2005	2006
Catalonia	3.3	3.9
Spain	3.4	3.9
European Union (EU25)	1.6	2.9

Source: Idescat, INE, Eurostat

In recent years, growth rates in Spain and Catalonia have been considerably higher than the European Union average. The Spanish and Catalan economies experienced a 3.9% growth rate in 2006, and estimates suggest that it will remain high in coming years. According to European Commission estimates, Spain's economy will grow 3.7% in 2007, 0.8 points more than the EU as a whole. In 2007, industrial recovery and the growth of exports are likely to bring about a 3.5% GDP growth in Catalonia, according to the Autonomous Government of Catalonia's budget for this year.

Economic growth (real annual GDP variation rates)



Source: Idescat, INE, Eurostat

The most recent economic figures suggest that these estimates are on the road to becoming a reality and may even be surpassed bearing in mind the development of Catalonia's economy in the first quarter of 2007, which has reported a 4% growth in GDP.

According to a report conducted by the consulting firm PriceWaterhouseCoopers in 2007, Barcelona's sustained economic growth in recent years has earned the city a place on the list of the world's leading economic powers. It comes in at number 31, above cities such as Shanghai and Singapore, on the list of the 36 cities with the strongest economies, which are responsible for 16% of world production.

2.2. Product per capita

The GDP per capita can be used to compare the standard of living between areas. To improve the accuracy of comparisons, the indicator can be adjusted to differences in each region or country's price levels and purchasing power. These adjustments provide the GDP per capita in terms of Purchasing Power Parity (PPP).

According to estimates issued by the Statistical Office of the European Communities (Eurostat), the GDP per capita in PPP in Catalonia is 20.5% higher than the European average and 19.8 percentage points above the Spanish average.

GDP per capita

In Purchasing Power Parity. Year 2004

Catalonia	25,900 €	120.5
Spain	21,658 €	100.7
European Union (UE-27)	21,503 €	100

Source: Eurostat. News release 23/2007, February 2007

2.3. Specialised production

Barcelona boasts a strong, longstanding tradition in classic manufacturing activities, and for many years it was national leader in a variety of production sectors, including the automotive, chemical and pharmaceutical, food, publishing and consumer electronics industries. Over the past few decades, however, many of these activities have progressively been transferred to the outskirts or other areas. The city has consequently focused on the services sector, which now employs 80% of its workers.

Production structure

Percentage of employees by economic sectors, 2006

	Barcelona	Catalonia	Spain
Agriculture	0.2%	0.5%	0.5%
Industry	11.0%	20.0%	16.4%
Construction	5.9%	10.1%	12.9%
Services	82.9%	69.4%	70.2%
Total	100.0%	100.0%	100.0%

Note: Affiliated to the general social security scheme

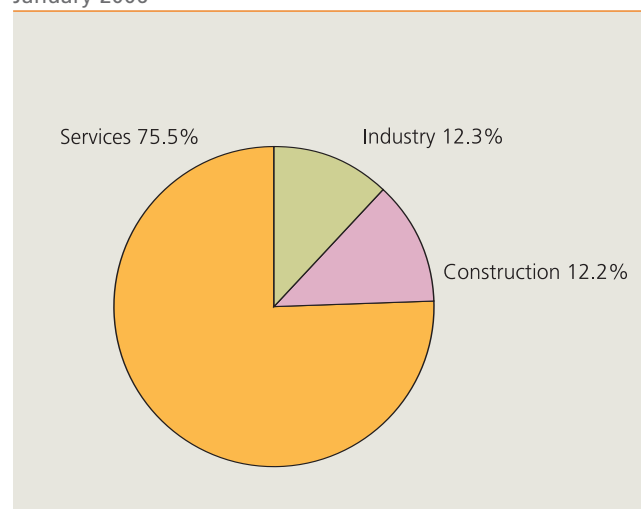
Source: Barcelona City Council and Idescat

Barcelona's specialisation in the services sector is considerably lower than that of other major cities including Paris, London and Frankfurt, where it represents over 95% of the total economy. In this respect, Barcelona's production activities are relatively diversified, with a very strong services sector and a significant industrial base.

The production structure can also be analysed by examining businesses. According to the National Statistical Institute's Central Business Directory, in January 2006, 75.5% of companies with salaried workers in the province of Barcelona belonged to the services sector, 12.3% were devoted to industry, and 12.2% to construction.

Companies with salaried workers in Barcelona

January 2006



Source: INE

2.4. Companies

According to the Central Business Directory of the National Statistical Institute, there were over 444,000 businesses in Barcelona at the beginning of 2006. This figure accounts for 14% of the total number of companies in Spain and 76.8% of Catalonia's total.

Catalonia, with 578,340 businesses (18% of the Spanish total), continues to be the autonomous community with the highest number of companies. The total number of businesses in Spain as a whole was 3,174,393.

Between January 2005 and January 2006, the number of active companies in the province of Barcelona rose 1.9%.

Company headquarters

Data from January 2006

	Number of companies	Percentage over total	Variation 2005-06
Data from January 2006			
Barcelona (province)	444,410	14%	1.9%
Catalonia	578,340	18%	2.0%
Spain	3,174,393	100%	3.6%

Source: INE

A more detailed analysis of these figures shows that 53.2% of the total number of companies that were active at the beginning of 2006 had no salaried employees and therefore refer to self-employed individuals. Businesses with salaried staff represent 46.8% of the total. This group experienced the highest increase over the previous period, registering a 2.2% growth over the 1.9% average, which contributed to an increase in the rate of businesses compared to self-employed workers.

The vast majority of companies with salaried staff are small and medium-sized enterprises (SME) with one to 199 employees. Only 0.2% are large companies that employ 200 or more workers.

Companies in Barcelona according to the number of salaried workers.

Demarcation of Barcelona. Data from January 2007

	Number of companies	Percentage	Variation 2005-06
Without salaried staff	236,491	53.2%	1.5%
With salaried staff	207,919	46.8%	2.2%
- One to 199 employees	206,901	46.4%	2.2%
- More than 199 employees	1,018	0.2%	1.5%
Total companies	444,410	100.0%	1.9%

Source: INE

2.5. Trading companies

One of the basic ways of exercising a business activity is by setting up a trading company.

According to the Spanish Central Business Register, Catalonia is home to 18.8% of the new trading companies created in Spain in 2006. This is equivalent to 27,736 companies, a 4.5% increase over the previous year. Data shows that this dynamism is particularly focused on the creation of limited companies. Meanwhile, 1,458 trading companies were dissolved in Catalonia during the same period, 2.3% less than the previous year.

Trading companies

	2005	2006	Percentage over total	Variation 2005-06
Established in Catalonia	26,082	27,736	18.8%	4.5%
Established in Spain	138,333	147,721	100%	6.3%
Dissolved in Catalonia	1,492	1,458	13.3%	-2.3%
Dissolved in Spain	12,441	10,935	100%	-12.1%

Source: Central Business Register

2.6. Entrepreneurial spirit

Catalonia has traditionally stood out for its entrepreneurial spirit with regard to Spain as a whole. According to the 2005 Global Entrepreneurship Monitor (GEM) report, in 2005 the index of entrepreneurial activity in Catalonia (i.e. the rate of the adult population who take part in a new business activity) was 6.8%, which is higher than the average in Spain (5.7%) and Europe (5.5%).

Barcelona is at the forefront when it comes to encouraging an entrepreneurial spirit. Proof of its resolute commitment is the municipal company Barcelona Activa, which works to encourage new businesses, and designs and implements employment, innovation and business creation policies in the city. In 2006, it accompanied 1,182 new company projects and offered advice to some 40,000 users with questions on how to set up a business.

3. EMPLOYMENT, TRAINING AND TALENT

3.1. Activity, employment and unemployment rates

According to official labour market data, the activity rates among people of working age in Barcelona and Catalonia exceed the European average and that of the rest of Spain. In both territorial areas, the employment rate in the first quarter of 2007 (71.8% in Barcelona, two tenths higher than the same period in 2006) surpassed the European objective of 70% established for 2010 during the Lisbon summit. In addition, the unemployment rate registered during the same period (6.8%) is below the European average and has displayed a steady downward trend since 2002.

Labour market indicators

Data from the first quarter of 2007

	Activity rate	Employment rate	Registered unemployment rate
City of Barcelona	77.2	71.8	6.8
Catalonia	76.5	71.3	7.1
Spain	72.2	66.0	8.5
European Union (EU25)*	70.8	65.1	7.9

Notes: Specific labour rates according to population between the ages of 16 and 64. * EU data corresponds to the 3rd quarter of 2006

Source: Technical Programming Office (Barcelona City Council), INE and EUROSTAT

3.2. Jobs in Barcelona

An indicator of labour market dimensions in Barcelona is the number of people affiliated to the social security, which is compulsory for all workers.

Taking into account the number of employees or salaried staff affiliated to the general social security scheme, as well as the self-employed or "freelance" workers, there are over one million jobs in Barcelona, which account for 6.1% of the Spanish total.

Social security-affiliated workers

Data from the fourth quarter of 2006. General scheme and freelance workers

	Totals	Percentage over Spain
City of Barcelona	1,058,149	6.1%
Metropolitan region	2,279,991	13.1%
Catalonia	3,233,049	18.6%
Spain	17,391,645	100.0%

Source: Department of Labour and Industry of the Autonomous Government of Catalonia

The arrival of immigrants to Barcelona, the majority at working age, has rejuvenated Barcelona's working population. The number of foreign workers in Barcelona has multiplied by seven in a decade, with an average growth of 31% up to 300,845 people, who represent 11.9% of the total social-security affiliates.

3.3. Competitive salaries

Barcelona continues to be a highly competitive city in terms of labour costs when compared to other major cities in the world, as contained in the annual Prices and Earnings Report drawn up by the Union Bank of Switzerland (UBS).

Taking Zurich as base 100, Barcelona is at level 57.6 in gross wages and 66.6 in net wages, much lower than levels in cities such as Dublin, Amsterdam, Tokyo and Miami.

Salary levels in cities worldwide, 2006

City	Gross salary (New York=100)	Net salary (New York=100)
Copenhagen	118.2	95.7
Zurich	115.1	124.2
Geneva	111.0	115.4
New York	100.0	100.0
London	89.2	96.0
Frankfurt	87.6	85.5
Dublin	88.3	104.6
Amsterdam	77.0	72.7
Vienna	78.7	81.2
Tokyo	78.0	87.4
Paris	68.5	68.8
Miami	67.6	74.0
Barcelona	57.6	66.6
Rome	47.0	49.7
Athens	42.8	48.6

Source: Union Bank of Switzerland (2006)

The competitive structure of salaries in Barcelona offer lower operational costs to companies located in the city in comparison with other locations.

Product managers: Income

City	Gross income per year (USD)
Barcelona	42,800
Paris	52,500
Amsterdam	54,600
Dublin	56,200
Geneva	65,100
Zurich	83,000

Engineers: Income

City	Gross income per year (USD)
Barcelona	42,800
Paris	52,500
Amsterdam	54,600
Dublin	56,200
Geneva	65,100
Zurich	83,000

Source: Quarterly labour costs survey 2006 / USB Prices and Earnings 2006

3.4. University and higher education training

Barcelona has eight universities that belong to the Catalan university system: five are public (Universitat de Barcelona, Universitat Autònoma de Barcelona, Universitat Politècnica de Catalunya, Universitat Pompeu Fabra and Universitat Oberta de Catalunya, the latter a distance education university) and three are private (Universitat Ramon Llull, Universitat Internacional de Catalunya and Universitat Abat Oliba CEU). The city also has headquarters and centres that are affiliated with other Catalan, Spanish and foreign universities.

According to the Department of Innovation, Universities and Business of the Autonomous Government of Catalonia, over 240,000 students enrolled in undergraduate, graduate and postgraduate studies at a Catalan university during the 2005-2006 academic year. This figure represents 16% of the Spanish total.

There were 205,900 enrolled undergraduates in Barcelona, plus another 66,000 if we take into account the masters, postgraduate and specialisation diploma students. These figures are a good reflection of the significance of the city's university community, who are offered a wide range of studies that encompass practically all areas of knowledge: 405 undergraduate and graduate degrees and over 350 doctoral programmes.

Barcelona university data (provisional)

2005-06 academic year

Total number of university students	205,900
- 1st, 1st-2nd and 2nd cycle students	194,769
- 3rd cycle students (doctorate)	11,131
Total number of graduate students	66,283
- Masters students	14,236
- Postgraduate students	13,942
- Specialisation courses	38,105

Degrees

- 1st, 1st-2nd and 2nd cycle studies	405
--------------------------------------	-----

Note: includes data for the eight universities in Barcelona. Ongoing training data does not include the Universitat Abat Oliba

Source: Department of Innovation, Universities and Business of the Autonomous Government of Catalonia

Many students enrolled at Barcelona's universities are from the rest of Spain or other countries. According to Barcelona Centre Universitari, over 24,000 foreign students enrolled during the 2005-06 academic year.

The majority of students who choose Barcelona as a first or second-cycle university destination are from the European Union and related countries. Taking data from the Erasmus exchange programme as a significant sample, we see that a majority of the nearly 4,200 students from other countries who studied at Barcelona's universities during the 2005-06 academic year were from Italy, France, Germany, Portugal, United Kingdom and Belgium, in that order.

In terms of third-cycle and postgraduate enrolments, although the number of students from the European Union is continuing to rise, the majority of students are from Latin American countries, particularly Mexico, Colombia, Chile, Argentina and Brazil.

Aside from the eight universities mentioned above, Barcelona is home to internationally renowned business schools such as Institut d'Estudis Superiors de l'Empresa (IESE) and Escola Superior en Administració i Direcció d'Empreses (ESADE), both among the best in the world according to reputed newspapers "The Economist" and "The Wall Street Journal", and Escola d'Alta Direcció i Administració (EADA). Barcelona is a highly prestigious brand in the sector and few countries in the world have as many top-tier business schools, with many foreign students travelling to Barcelona every year to pursue MBA studies.

3.5. International schools

Barcelona and its surrounding area have a variety of international schools that teach foreign curricula. The following is a non-comprehensive list: Lycée Français, the Swiss School, the Japanese school of Barcelona, the Italian Scuola

Elementare Statale, American School of Barcelona, Benjamin Franklin International School, The British School of Barcelona, and many others. There are a total of 27 schools teaching in five languages: English, French, German, Italian and Japanese.

4. KNOWLEDGE CITY

4.1. The knowledge economy in Barcelona

Barcelona has a number of key elements that make it a major knowledge economy centre.

The city has eight universities, with one of the largest university communities in Europe, a host of R&D and technology centres and a scientific park network that is home to companies working in the technology and engineering fields.

It also boasts good communications and telecommunications infrastructures that make it easily accessible, as well as a talented, qualified human capital that is attracted to the city and remains due to the good standard of living it offers.

The region's companies working in high and medium-high technology industries and those that offer knowledge-based services account for 28.55% of the Spanish total.

Barcelona and its metropolitan area have attracted manufacturers of electronic equipment and offices of leading companies that play a major role in the development and use of ICTs in Spain. The city has become a reference point in Spain due to projects ranging from the 22@Barcelona district-the technology and innovation district par excellence-to an extensive network of leading services companies, a deeply rooted entrepreneurial spirit and longstanding educational and business tradition in telecommunications.

In recent years, Barcelona has increased the resources available for new technology education and research infrastructures. The city is home to prestigious universities, state-of-the-art research centres, R&D laboratories, and intermediary institutions that encourage the development of technological projects to attract new initiatives in the digital industry by means of knowledge transfer.

According to a study conducted by the Universitat Autònoma de Barcelona, Barcelona has a high degree of specialisation in knowledge-intensive areas: 45% of employment, 26.6% of businesses, 38.1% of production, 79.5% of manufacturing exports, 33.9% of professionals employed in science and technology sectors and 28.3% of the working-age population with tertiary education.

Barcelona is a city that specialises in services, with 81.3% of the employed population and a predominance of knowledge-intensive services. Industry employs 12.5% of the working population, of which 6.2% are high and medium-high technology manufactures. Moreover, according to a study conducted by Eurostat in 2004, Catalonia is the fifth European region in technology employment.

According to the Spanish National Statistical Institute, Catalonia's total research and development (R&D) expenditure in 2005 represented 25.6% of the Spanish total. Catalonia carries out a financial effort that is comparable to the EU average. In relative terms, Catalonia's gross domestic expenditure on R&D was 1.35%, which is higher than the Spanish average of 1.13%.

4.2. The ICT sector in Catalonia and Barcelona

The Information and Communication Technologies (ICT) sector is a key industry for Barcelona and Catalonia. Over 1,700 businesses and 155 research agents turn the region into one of the most important innovation centres in Europe in the sector. Given its social, corporate, institutional and university reality, Barcelona positions itself as one of southern Europe's leading ICT cities.

The sector's business structure is highly diversified, with a high proportion of small companies (88.55%) that are considered the most innovative and best equipped in Spain.

It is also worth noting the importance of Barcelona in the consumer electronics sector as it accounts for 63% of Spain's total production and is the top European manufacturer. Meanwhile, Catalonia's computer technology businesses are 29% of Spain's total, and Catalonia's business licenses in the field of telecommunications represent a quarter of those in Spain as a whole.

Barcelona and its metropolitan area conform a compact area in the ICT sector, with special relevance of activities related to the digital content industry (film, video and graphic design) and software (development, consulting and other integration services), which experienced a growth of over 80% between 1997 and 2002. The importance of these two sectors in the global ICT sector is also linked to Barcelona's progressive specialisation in the services sector.

Furthermore, the city is home to a very significant part of Catalonia's employment in high technology sectors. In 2002 and for the third year running, Catalonia came fifth in the ranking of European regions with the highest level of population employed in high-tech sectors, surpassing regions such as Rhône-Alps, Dublin, Madrid and Berlin, and on a par with Lombardy and the West Midlands.

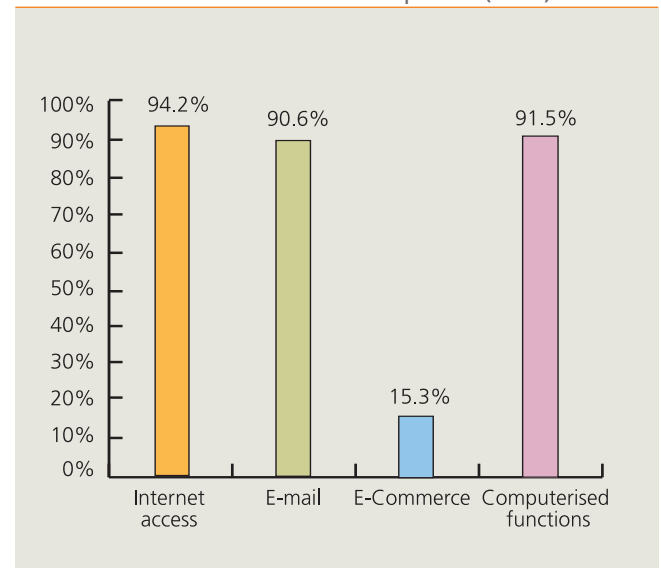
4.3. Barcelona, southern European leader in ICT penetration

Catalonia has one of the best indexes in Spain in terms of ICT business penetration, e-administration development, and number of Internet users and ICT equipment in homes.

ICT penetration in companies

In 2005, Catalonia's companies with ten or more salaried staff displayed the following results in terms of new technology usage:

Penetration of ICTs in Catalan companies (2005)



Source: Information Society Observatory and IDESCAT

The most common type of Internet connection was ADSL (80.2% of companies with Internet access). Less common was XDSI (15.9%) and conventional dial-up (12.3%). The presence of cable and point-to-point connections was barely significant. For its influence on economic growth, it is worth noting the high rate of mobile telephony penetration in Spain, which was over 100% at the beginning of 2006 (representing nearly 44 million clients). This figure is higher than those in countries including Germany and France, and it is also above the European average according to data compiled by the International Telecommunications Union.

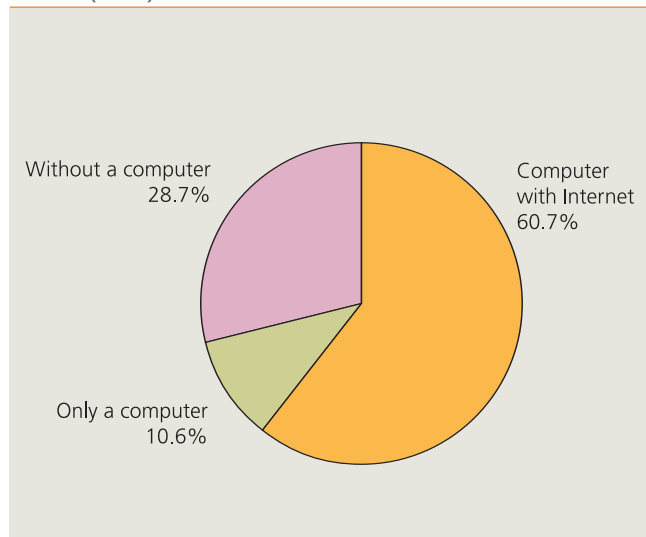
Most companies with Internet access go online to search for information (90.4%) and to use e-banking services (79.3%), while half use it to look for new suppliers.

ICT Penetration in homes

The average number of Internet users in Spain was 40.1% of the total population, and 45% in Catalonia. This data was gathered in March 2007 by the General Media Study conducted by the Spanish Media Research Association (AIMC).

According to the survey conducted by Barcelona City Council in December 2006, 60.7% of homes in Barcelona are connected to the Internet. This data has shown a steady rise in recent years, which demonstrates the increasing incidence of ICTs in the city's homes.

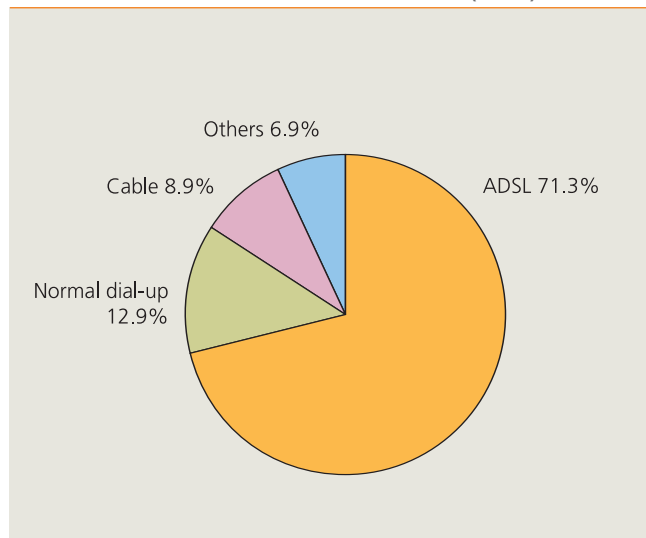
Computers with Internet connection in Barcelona homes (2006)



Source: Barcelona City Council

Internet connections in Barcelona grew an average of 2.5% in 2006. Particularly noteworthy were the rapid rise in broadband ADSL (up 13%) and drop in conventional dial-up connections (down 8.2%), although 12.9% of users still access the Internet using a "slow" connection.

Internet connection in Barcelona homes (2006)



Source: Barcelona City Council

Meanwhile, 85.2% of those polled had contracted flat-rate Internet access and 79.2% used the Internet and e-mail on a daily basis.

Electronic administration in Barcelona

The municipal website (www.bcn.cat) receives almost 100,000 visits a day, 80% of which are from people who live in the city, and an increasing number of citizens carry out procedures with the local administration over the Internet.

In 2006 and for the first time ever, citizens carried out more administrative procedures online than at the municipal offices (42% by each channel and the rest, by telephone). Last year over 1,570,000 electronic procedures were carried out. The most frequent users are professionals (particularly agents and real estate professionals) and companies. 50% of agents and 34% of companies tend to carry out procedures online.

To promote the use of new electronic media, during the initial phase at the start of 2007 the City Council distributed 50,000 free USB memories, which can be used to identify citizens and authorise them to carry out a variety of electronic procedures. The City Council has also begun to install ATM machines throughout the city that will serve to carry out administrative procedures.

At present, 87% of municipal procedures are available online. Of the 80 that are available on the Internet, 20 can be entirely completed online, including ordering copies of urban street plans, paying bills by direct debit, and paying taxes and fines by credit card.

5. REAL ESTATE FOR BUSINESSES

Barcelona's town planning is characterising by a combination of residential, commercial and business uses in each district.

The real estate available in Barcelona for business activity currently includes almost 5 million square metres of office space, 17.2 million square metres of industrial zones (according to the Barcelona Metropolitan Region's Industrial Atlas) and a network of 19 commercial hubs that concentrate the city's commercial and business activity. Moreover, with numerous urban transformation projects now underway, Barcelona will see an increase in property for business activities in the coming years.

5.1. Offices

Barcelona has 5.06 million square metres of office space. Newly approved projects will bring about an even greater increase in the city's capacity to facilitate the growth of business activities, offering an excellent quality-price ratio. Furthermore, the gradual availability of new supply will help to contain future prices to levels similar to those of today.

There were high levels of office transactions in 2006, with occupancy rates of over 380,000 square metres in the total number of operations undertaken during that period. This confirms the maintenance of business venue demands in a context in which the real estate market is generally slowing down following many years of strong growth, as well as the market's good predisposition to absorb newly approved property and developments.

The average monthly rent on offices located in Barcelona's business district (CBD) during the same period was 20.75 euros per m². However, this average conceals the different prices that exist according to area and available supply ratio.

Office market

Total office space	5,077,343 m ²
Area taken up in 2006	389,000 m ²
Available supply	243,200 m ²
Vacancy rate (CBD)	2.03 %
Average rent (€/m ² /month) (CBD)	20.75

Source: Jones Lang Lasalle (1st quarter 2007)

The office supply in Barcelona can be classified into four major categories: the "prime zone" in the heart of the city and the most prestigious streets (with 4% of the total office space and a maximum price of 25.25 €/m²/month, according to an availability ratio which is lower than in the rest of the city), the so-called "central business district" in the Eixample neighbourhood (with 16% and prices similar to the city average), the new central areas such as the 22@ technology district and Avinguda Diagonal, which is located next to the sea, among others that are growing in importance and offer highly competitive prices), the secondary area of the city which groups 41% of the total supply and the outskirts (accounting for 39% of the total, with very competitive prices that are below the market average).

Office space rentals in Barcelona and surroundings



- Prime Pitch
- New Business areas
- City Centre
- Periphery

Area	€/m ² /month (excluding service charge)
Prime	16 - 25.25
New Business area	14 - 21
Centre	13 - 21
Periphery	7.5 - 16

Source: Cushman & Wakefield Healey & Baker, spring/summer 2006.

This stock distribution undergoes constant variations as new developments enter the market and old office buildings are converted. Thus, in recent years a significant number of office buildings in high-value residential areas or with privileged locations have been turned into hotels or housing whilst the new central areas concentrate most of the new supply on the market. This process helps redirect the demand towards property available in newly developed areas whilst renewing obsolete real estate supply.

One of the largest projects is 22@ Barcelona with a potential building area of 3.5 million square metres in a 200-hectare area in the city centre. The project will attract and retain high-value economic activity linked to innovation and knowledge. Nearly 50% of the area has already been converted and is available. The district's transformation process is expected to last ten years, with new developments adapted to knowledge-intensive, high-added-value uses gradually entering the market.

A total of 1,189,000 m² of office space is expected to enter the market by the end of 2009. A gradual entry into the market, mostly in the 22@ district, ensures stable prices and the ability to compete with the attractive supply in other areas of the city for years to come.

Forecast of new office supply

Year 2007	261,000 m ²
Year 2008	398,000 m ²
Year 2009	530,000 m ²

Source: Jones Lang Lasalle (1st quarter 2007)

5.2. Industrial land and property

Barcelona's range of real estate for industrial activities is one of the largest in the Mediterranean basin, with over 17 million square metres.

Many industrial estates are located close to the city, including Zona Franca and the Logistics Activities Zone (ZAL) to the south, and others that are near the port and airport. A process is currently underway to relocate and concentrate industry initially located in the city towards more specialised areas that are further away from the urban centre. Within the first ring of Barcelona, the real estate supply is increasingly focusing on logistics activities, taking advantage of the proximity to the port and airport.

The demand determines the supply that enters the market and makes it adapt to different needs. For instance, the logistics and major distribution sector requires multipurpose premises for lease, direct access to roadways, high premises to enable automation and sufficient loading bays. Meanwhile, the industrial sector needs medium or small spaces, and ownership of premises with continuous facades that can be "customised".

According to a study by consulting firm Cushman & Wakefield, the average price of leased industrial premises towards the end of 2006 was 81 euros per square metre per year. Other market estimates are shown in the following table:

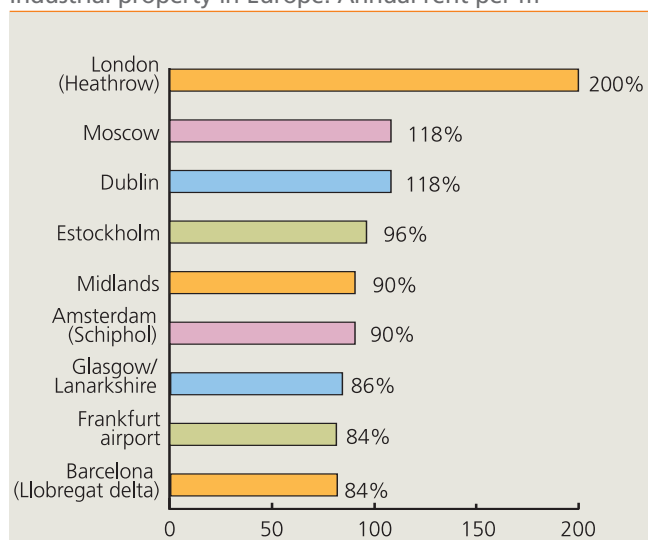
Industrial real estate market

Vacancy rate (2006)	3.1%
Average price range of leased industrial premises (€/m ² /year)	40-102
Average price range of industrial premises for sale (€/m ²)	150-800

Source: King Sturge 2006

Barcelona offers a competitive supply of industrial land and property in the Llobregat delta that is located close to the port and airport, is a key factor when it comes to setting up industrial companies. Prices in Barcelona are low compared to other European cities: for example, the price of an industrial property in the area surrounding Heathrow airport is more than double that of in Catalonia's capital.

Industrial property in Europe. Annual rent per m²



Source: Territorial report on the province of Barcelona 2007. Cushman & Wakefield

5.3. Commercial property

Barcelona has one of the widest ranges of shopping options in Europe. Barcelona's commercial model is characterised by a coexistence of all types of formats (small shops, supermarkets, shopping centres, chains and department stores) that are distributed throughout the city. In fact, practically all of its neighbourhoods and districts have their own highly attractive and diversified commercial streets or areas.

Barcelona's most emblematic streets, with high-ranking premises and areas, are the city's "commercial front line", according to real-estate professionals. The area includes Passeig de Gràcia, the city's most exclusive showcase that is on a par with major commercial avenues around the world. Immediately following is the city's "secondary commercial area", formed by

streets with high-quality shops, renowned restaurants and services offices. The next classification refers to "areas of heavy traffic" with a concentration of shops with high customer and product rotation that are located in every district. Lastly, the hubs of commercial streets that are spread around the city are known as the "fourth line of commercial areas".

Barcelona's commercial activity is organised around 19 commercial hubs, although plans are underway to create new ones in the coming years. These commercial hubs are urban open-air areas with a high concentration of shops, a wide variety of products and good transport connections. The consolidation of neighbourhood hubs attracts the area's inhabitants, tourists and customers from other areas.

5.4. International comparison of business real estate prices

Comparison of prices in major European cities

Lease price	Offices	Shops	Industrial property
	Maximum €/m ² /year	Maximum €/m ² /year	Min.- Max. €/m ² /year
Amsterdam	442	1,650	55 -85
Athens	452	2,400	58 -84
Barcelona	468	2,123	40 -102
Berlin	348	2,040	30 -60
Birmingham	728	n.d.	44 -104
Brussels	544	1,300	40 -60
Dublin	939	3,393	110 -123
London	1,428	5,923	115 -198
Madrid	581	2,520	42 -93
Manchester	816	2,369	75 -103
Milan	645	2,150	50 -65
Paris	645	6,628	40 -90
Rome	487	2,150	50 -70
Stockholm	562	1,127	32 -74
Vienna	361	1,920	34 -79
Zurich	731	3,217	23 -101

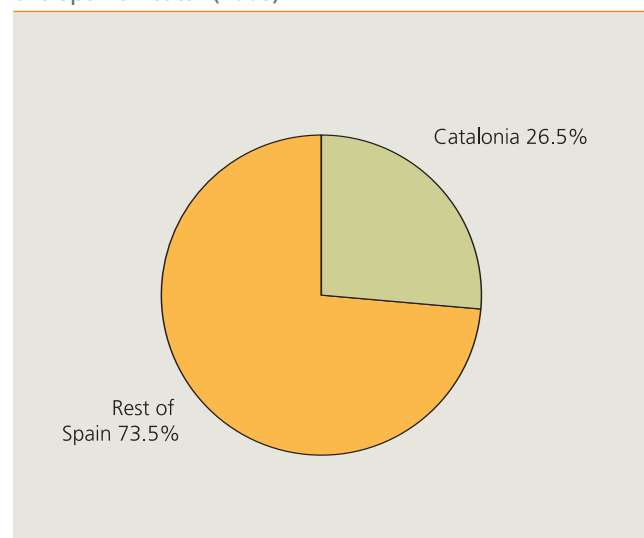
Source: King Sturge "European Industrial Property Markets 2006"
Cushman & Wakefield "Marketbeat Shops Europe 2006"
CB Richard Ellis "Global Market Office Rents Europe 2006"

6. AN ECONOMY OPEN TO THE WORLD

6.1. Foreign investment in Catalonia

According to data contained in the Investment Registry of the Spanish Secretary of State for Trade and Tourism, Catalonia received 2,521.5 million euros in 2006 as direct foreign investment, which accounted for 26.5% of Spain's total inward investment.

Weight of foreign investment in Catalonia with regard to the Spanish total (2006)



Source: Secretary of State for Trade and Tourism

Catalonia maintained the level of inward investments of the previous year, with a slight 1.8% decline, in a context in which foreign investment in all of Spain fell 34%. Foreign investment has stabilised this year at a significant rate following sustained growth in 2004 and 2005. The previous period, 2001-2003, featured a significant drop, as occurred in most advanced economies as a result of the slowing down of global economic activity and the arrival of emerging markets that proved more attractive to international investors.

Direct foreign investment

In millions of euros

	2005	2006	Variation 2006/05
Catalonia	2,567.3	2,521.5	-1.8%
Total Spain	14,432.7	9,524.1	-34%

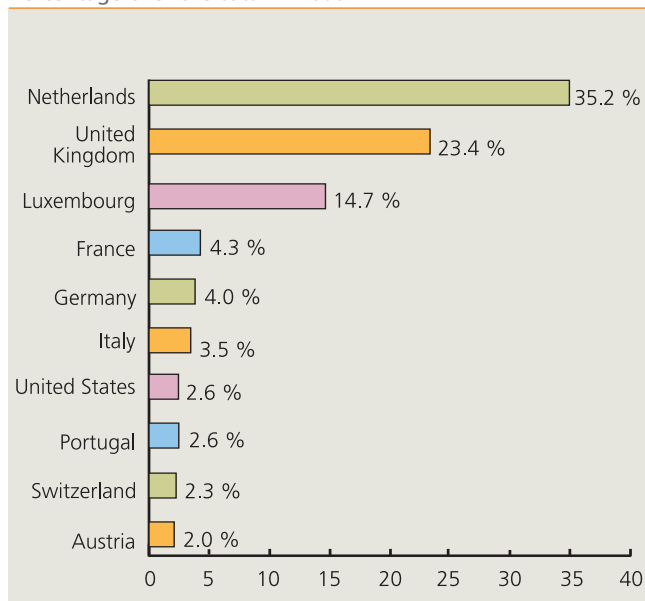
Note: Gross effective investment without investments from ETVE (Entitats de Tinença de Valors Estrangers, or holding companies)

Source: Secretary of State for Trade and Tourism

As commonly occurs, most of the investment in Catalonia in 2006 came from European Union countries (80.2% of the total foreign investment received). By order of importance, the main investors in Catalonia were the Netherlands (886.41 million euros) United Kingdom (591.10 million euros) and Luxembourg (369.76 million euros). The ten leading investors represent 94.4% of the total, which demonstrates the high concentration of origin.

Origin of foreign investment in Catalonia

Percentage over the total in 2006



Source: Secretary of State for Trade and Tourism

Wholesale trade concentrated 20.3% of all foreign investment received in Catalonia in 2006. Other economic sectors that benefited from foreign investment were: real estate (9.9%), hotel and catering (9.6%), the chemical industry (7.2%), transport activities (6.9%), machine and equipment leasing (6.4%), leisure, cultural and sporting activities (4.9%), metal products not including machines and equipment (4.9%), air and space transport (4.5%) and banking and other financial intermediaries (3.9%).

6.2. Catalan investment abroad

In 2006, Catalan investment abroad showed a substantial increase on the previous year to a total of 4,721.59 million euros. Spain's total investment of 55,932.99 million euros also grew considerably.

Investment abroad

In millions of euros

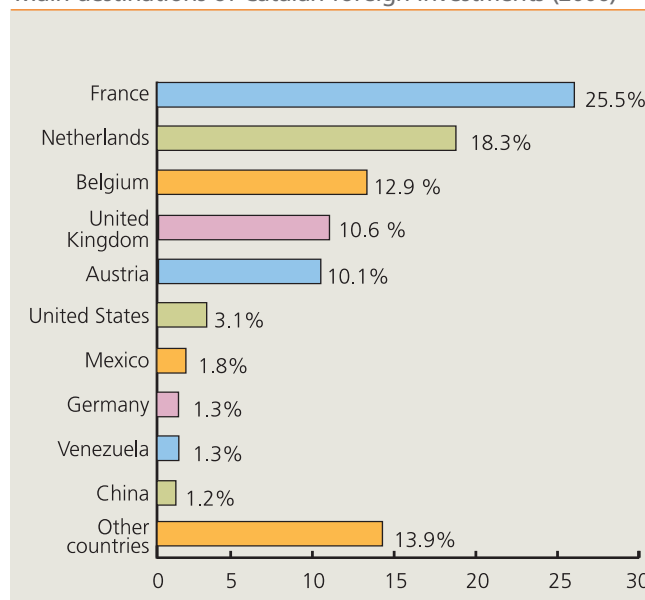
	2005	2006	Variation 2006/2005
Catalonia	3,094.12	4,721.59	52.6%
Total Spain	28,947.60	55,932.99	93.2%

Note: Gross investment without investments in ETVE (Entitats de Tinença de Valors Estrangers, or holding companies)

Source: Secretary of State for Trade and Tourism

Catalonia's investment overseas focused on the EU-25 area, with 84.7% of the total, followed at a distance by North America with 5%, Latin America with 2.9% and Asia and Oceania, with 2.6%. The relative weight of foreign investment to the European Union rose almost 20 points on 2005.

Main destinations of Catalan foreign investments (2006)



Source: Secretary of State for Trade and Tourism

The economic sectors that received Catalan overseas investments were: transport activities (29.6%), banking and other intermediaries (10.7%), construction (10.4%), food and drinks industry (9.1%), collecting, treatment and distribution of water (4.7%), non-metallic mineral production (4.6%), research and development (4.3%) and wholesale trade (4.2%).

6.3. Exports

In 2006, Catalan exports amounted to a global value of over 46,451.9 million euros. Catalan sales grew by 9.7% on the previous year, slightly above the Spanish growth rate (9.6%).

Catalonia clearly continues to be the most thriving autonomous community in Spain in terms of exports, with 27.4% of the total.

Exports

Millions of euros

	2005	2006	Variation 2006/05
Spain	155,004.7	169,872.0	9.6 %
Catalonia	42,360.9	46,451.9	9.7%
Barcelona (province)	33,761.9	37,683.4	11.6%
Catalonia over Spain (%)	27,3%	27,4%	0.1%

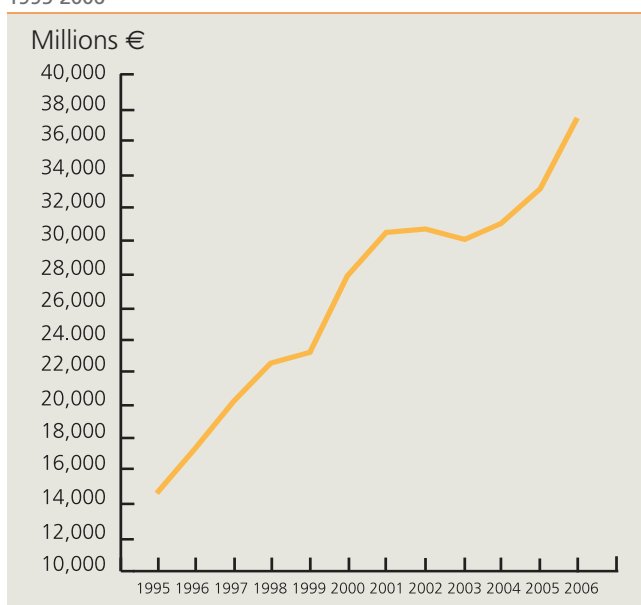
Source: Secretary of State for Trade and Tourism

By sectors, high-technology exports have seen a substantial increase of 25.35% in 2006, the largest increase among exporting sectors. This category includes products related to pharmaceuticals, electronics, office equipment, computers, and air and space travel. Medium-technology exports came in second with a 22.5% increase, following by low-level (8.1%) and medium-high (6.7%) technology. The latter are the most significant-almost half-as they include vehicles, chemical products, machinery and equipment.

Exports from the province of Barcelona had a total value of 37,683.4 million euros in 2006.

In the last three years, the evolution of exports from Barcelona has not only been positive but also grown at an accelerated year-on-year rate. More specifically, exports grew 3.4% in 2004, 7.6% in 2005 and 11.6% in 2006.

Evolution of exports from the province of Barcelona.
1995-2006



Source: Ministry of Industry, Tourism and Trade

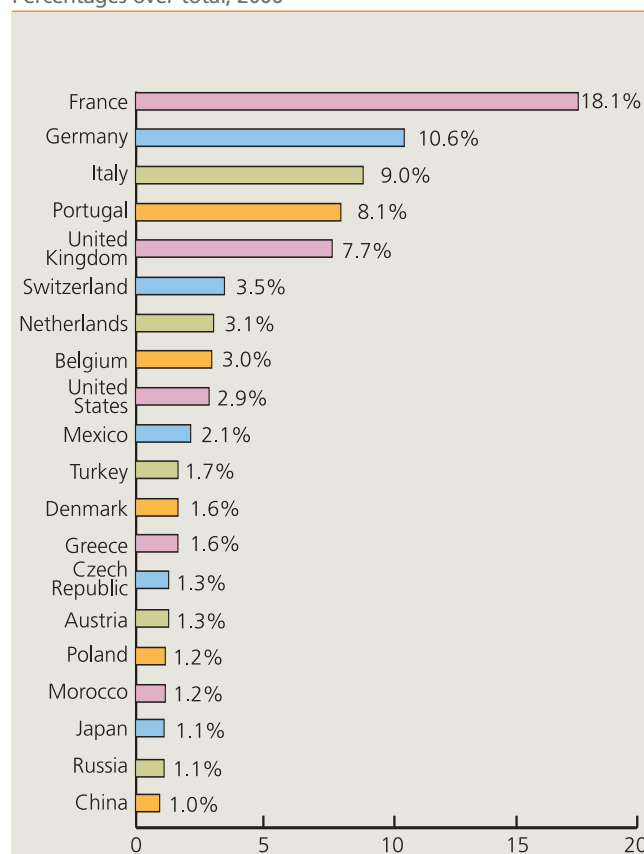
The increase of exports from Barcelona in 2006 has been the strongest since 2000, and the province has recovered the first two-point growth rate since the second half of the 1990s. Over the past eleven years, the average annual increase of exports from Barcelona and Catalonia has been 9%, whereas in Spain as a whole the rate has been 8.4%.

The greater growth rate of exports from Barcelona has heightened the importance of the region, and already represents 81% of the total exports from Catalonia and 22.2% from Spain.

In 2006, the region's main exports were cars, television receivers, goods vehicles, car parts and accessories, and medicines. These five sectors represent almost a third of Barcelona's exports. In the last year, Barcelona's car industry exports have risen 13%, twice as much as those from Spain, and towards the end of 2006 they already represented practically a quarter for Spain as a whole.

Main export countries from Barcelona (prov.)

Percentages over total, 2006



Source: Secretary of State for Trade and Tourism

This upward trend for exports has continued throughout the first quarter of 2007, during which exports from Catalonia had a value of 12,442 million euros, a figure that represents a 9.53% growth on the same period in 2006. This increase improves the specific weight of exports from Catalonia with regard to Spain as a whole and places it at 27.57% of the national total. Imports during the same period have risen slightly (1.97%) to a value of 19,272 million euros. This has improved the coverage rate that is currently at 64.56%, four and a half points higher than the first quarter of 2006, although there is still a commercial deficit of 6,830 million euros.

In the province of Barcelona, exports during the first quarter of 2007 have been 8.4% higher than those registered during the same period of 2006, at almost 10,000 million euros. Due to this increase, the weight of exports from Barcelona compared to Spain as a whole has risen to 22.1%. Furthermore, imports have risen at a much more moderate rate (2.7%) to 16,193

million euros. The higher growth of exports has increased the coverage rate to 61.6%, 3.2 percentage points above that of the first quarter of 2006. Lastly, the commercial deficit of the province (6,224 million euros) has dropped 5.2% over the same period of the previous year.

6.4. Port of Barcelona

With 47.6 million tons of freight traffic, 2.3 million containers and 2.5 million passengers in 2006, the Port of Barcelona is one of the busiest ports in the Mediterranean.

Port of Barcelona traffic indicators

In millions

	2005	2006	Variation 2006/ 05
Freight (tons)	43.84	47.66	8.7%
Containers (TEU)	2.07	2.32	12 %
Passengers (includes ferries and cruises)	2.21	2.54	15 %

Source: Port of Barcelona - Barcelona Port Authority

The increase in commercial activity has been very significant in recent years. In 2006, Barcelona saw a 12% increase in freight traffic, well above that of other Spanish and major European ports including Hamburg, Rotterdam and Antwerp, who registered growth levels of less than two digits.

Growth of freight container traffic in European ports in 2006

Port	% Growth
Barcelona	12.0%
Hamburg	9.5%
Valencia	8.3%
Antwerp	8.3%
Rotterdam	4.3%
Marseilles	3.9%
Bilbao	3.8%
Algeciras	2.0%

Source: *Marítimas* newspaper

The Port of Barcelona specialises in general cargo, particularly container traffic, featuring high-added-value goods, such as vehicles, electronic products and consumer goods, which turn it into the leading Spanish port in terms of turnover and freight value.

The Port of Barcelona connects such distant markets as the Far East and Latin America, and its hinterland goes beyond national borders.

The Port is currently undertaking an ambitious expansion process-its biggest ever-that will double both its sea area (going from 374 to 786 hectares) and land surface area (from 558 to 1,265 hectares).

Management of the new container terminal was awarded in June 2006. By the end of 2008, the terminal will increase container traffic to 4.5 million a year. Freight traffic from Southeast Asia is expected to rise significantly and could reach up to 50% of the total traffic.

Road and rail infrastructures are also being remodelled to improve connections with the terminals and airport and to accommodate the high-speed train. This will contribute to the port's intermodality and increase its competitive advantage in freight distribution in a much shorter amount of time.

6.5. Barcelona Airport

Barcelona Airport, an essential link in the tourism, logistics and business chain, is located in the south-west of the city, only 7 km from the centre, 3 km from the port and very close to Zona Franca, Spain's most important industrial area, which includes distribution, transport and handling zones (Logistics Activities Zone and Logistics Park.) The airport's area of influence has a population of over 17 million.

In 2006, a new record was achieved in passenger numbers with a 10.5% variation rate on the previous year. Since the Olympic Games in 1992, the airport has grown substantially, from 10 million users in 1992 to over 30 million in 2006.

As for its airfreight volumes, 93,398 tonnes of commercial goods passed through Barcelona's airport in 2006, which represents a 3.3% rise largely resulting from a 7.8% increase in international goods. Although the volume of transported goods is modest, a significant increase is expected on the medium term as a result of investments into the airfreight centre.

Barcelona Airport traffic indicators

	2005	2006	Variation 2006/05
Passengers	27,152,745	30,008,152	10.5%
- International passengers	13,374,465	14,370,200	7.4%
- Domestic passengers	13,588,146	15,465,500	13.8%
- Transit passengers	190,134	172,400	-9.3%
Freight (tons)	90,446	93,398	3.3%
- International freight	67,890	73,195	7.8%
- National freight	22,556	20,203	-10.4%

Source: Barcelona Airport - AENA

The airport handled 327,639 flights in 2006, which represent a daily average of some 900 flights. In addition, 90 national and international airline companies are established at the airport, offering 33 national, 32 international and 72 European destinations. Most of the European flights are less than two and a half hours.

Destination	Frequency	Flight hours
Amsterdam	13 flights/week	2 h. 20 m.
Berlin	4 flights/week	1 h. 40 m.
Bologna	5 flights/week	2 h. 00 m.
Brussels	8 flights/week	2 h. 00 m.
Cologne	2 flights/week	2 h. 10 m.
Copenhagen	3 flights/week	3 h. 00 m.
Dublin	3 flights/week	1 h. 20 m.
Düsseldorf	5 flights/week	2 h. 05 m.
Frankfurt	8 flights/week	2 h. 00 m.
Hanover	2 flights/week	2 h. 30 m.
Lisbon	11 flights/week	1 h. 50 m.
London	18 flights/week	2 h. 15 m.
Milan	10 flights/week	1 h. 35 m.
Munich	7 flights/week	2 h. 00 m.
Paris	21 flights/week	1 h. 45 m.
Prague	4 flights/week	2 h. 25 m.
Stuttgart	4 flights/week	1 h. 50 m.
Turin	3 flights/week	2 h. 00 m.
Warsaw	1 flights/week	2 h. 55 m.
Zurich	5 flights/week	1 h. 45 m.

Source: Airport of Barcelona - AENA. April 2007

In 2006, Barcelona Airport was the first European airport in terms of average annual growth and eighth in the ranking of European airports, according to official data from Airports Council International (ACI). It was also elected third best airport in southern Europe by Skytrax, an entity that conducts an annual study on airport facilities around the world.

Air traffic was boosted in 2006 with new intercontinental flights, thanks to efforts by the Air Routes Development Committee, which promotes Barcelona Airport and is formed by the Autonomous Government of Catalonia, Barcelona City Council, the Barcelona Chamber of Commerce and AENA.

Airport facilities are currently undergoing a major upgrade and expansion process. Works currently underway in the new terminal, which begins operations in 2007, the airport city, featuring extensive services areas, and improved connections will enhance the airport's capacity to 70 million passengers a year.

7. A MAJOR TOURIST DESTINATION AND CITY FOR FAIRS AND CONGRESSES

7.1. Urban tourist destination

Barcelona has been consolidated as an outstanding European tourist destination for many years. According to European Cities Marketing, it tops the 2006 list of non-capital tourist cities and ranks sixth on the list of European tourist cities.

The number of tourists exceeded 7.1 million in 2006, with some 12 million overnight stays and a 20.5% annual rate of change in the number of tourists on 2005.

Barcelona tourism indicators

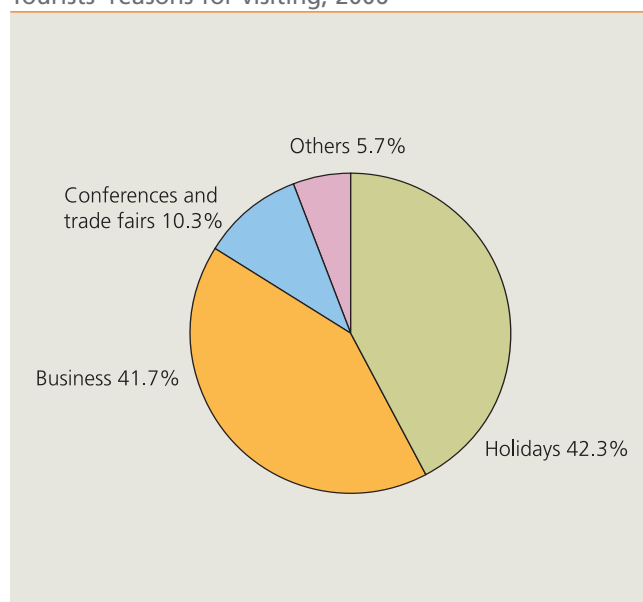
	2005	2006	Variation 2006/05
Tourists	6,029,700	7,187,923	20.5%
Overnight stays	10,047,526	12,110,785	19.2%

Source: Department for Promotion of Tourism and Quality of Life.

Barcelona City Council

53% of tourists visited the city for professional reasons and this figure is expected to rise or remain stable in 2007 due to the number of congresses, trade fairs and conventions set to be held in the city.

Tourists' reasons for visiting, 2006



Source: Barcelona Tourism

Without taking into account the tourists from other parts of Spain, most visitors to the city are from Europe, with the United Kingdom, Italy and France being the main countries of origin. United States and Japan are other major countries of origin.

Origin of visitors to Barcelona, 2006

Spain	30.0%
United Kingdom	11.4%
Italy	9.1%
United States	7.2%
France	6.7%
Germany	5.3%
Holland	3.3%
Japan	2.0%
Others	25.0%
Total visitors	100.0%

Source: Barcelona Tourism

85% of visitors to Barcelona arrived by plane, a trend that has shown a considerable increase in recent years, partly due to the emergence of low-cost airlines. However, this has not brought about a drop in the average expenditure of visitors, which continues to show a clear upward trend (annual growth of 33.4% in 2006).

Barcelona offers a high-quality range of hotels, with 285 establishments, over 27,000 rooms and over 52,000 beds, and an average occupancy rate of 77.7%. The number of four-star hotels has shown the greatest increase in recent years, and the rise in the number of hotels has contained prices.

Hotel indicators

	2005	2006	Variation 2006/05
Hotels	268	285	6.3%
Rooms	25,355	26,968	6.4%
Beds	49,235	52,484	6.6%
Hotel occupancy rate (percentage/total number of rooms)	76.0%	77.7%	1.7%

Source: Barcelona Tourism

According to a survey conducted by Barcelona Tourism, tourists to Barcelona give the city a favourable overall grade of 8.21 on a scale of 0 to 10. The most highly valued aspects are its architectural heritage, culture, shops, leisure activities, hotels and restaurants.

Without a doubt, Barcelona's cuisine is an important attraction factor resulting from the good international position of Catalan cuisine and the prestige of its chefs. Moreover, Barcelona is the Spanish city with most Michelin stars (eleven, according to the 2006 Guide).

7.2. Tourist cruises

Barcelona is the number one cruise port in Europe, only surpassed on the worldwide destination ranking by the Caribbean and North America.

The city has experienced a spectacular rise in the number of visitors arriving on cruise liners, going from 115,137 in 1990 to 1.4 million in 2006. Only in the last year there has been a 14.5% rise in passenger numbers.

Cruise ship indicators

	2005	2006	Variation 2006/05
Cruise ship passengers	1,224,575	1,407,179	14.5%
- Boarding passengers	293,386	392,747	33.9%
- Disembarking passengers	297,671	389,170	30.7%
- Transit passengers	633,518	625,262	-1.3%
Number of stopovers	691	714	3.3%

Source: Port of Barcelona - Barcelona Port Authority

Prospects for the next few years are excellent: up to two million cruise liner passengers are expected to arrive by 2010. To accommodate this growth, existing terminals are being refurbished and new ones are being built. One of the most attractive features of the port of Barcelona is that its cruise terminals are located in the centre of the city, which means that passengers can visit the historic quarter on foot in a short amount of time.

Port authorities aim to reduce the seasonal nature of this activity, which is particularly prominent between the months of May and October, and increase the number of cruises that originate and terminate in the city, thus encouraging passengers to remain in Barcelona for two or three days rather than the twelve hours of transit passengers.

7.3. Congresses, conventions and incentive trips

2006 was a good year for Barcelona in terms of business meetings. The number of delegates attending congresses and conventions rose 43.2%, although the number of meetings dropped 3.7% (congresses, and conventions and incentive trips fell 4.8% and 3.3% respectively). This means that a higher number of delegates attended a smaller number of meetings which were, however, more important and attracted more participants.

Congressional activity indicators

	2005	2006	Variation 2006/05
Total number of congresses and conventions	1,353	1,303	-3.7%
- Number of congresses	352	335	-4.8%
- Number of conventions and incentive trips	1001	968	-3.3%
Total number of delegates	343,005	491,028	43.2%

Source: Barcelona Tourism

2006 saw the consolidation of the city's international positioning with 86% of delegates visiting from abroad and 70% of international meetings.

As occurred in recent years, there has been a pre-eminence of medical and public health congresses and conventions dedicated to the chemical and pharmaceutical sector, with a sharp rise in the number of science and new technologies sector meetings.

According to Barcelona Tourism estimates, the direct economic impact of congresses and conventions in the city amounted to 918.7 million euros in 2006.

Lastly, according to the International Congress & Convention Association (ICCA), Barcelona comes fourth worldwide in the number of international conferences.

7.4. Fira de Barcelona

Fira de Barcelona is a leading European trade fair referent that was created over a century ago for the World's Fair of 1888.

The year 2006 was characterised by a very favourable development of trade fair activity in the city, in which Fira de Barcelona organised 47 trade fairs that attracted 23,000 exhibitors and 2.9 million visitors.

To analyse this progress in recent years one should keep in mind that even years traditionally feature less activity, given that most biennial fairs take place during odd years. Therefore, to place growth in 2006 in the proper context we should compare activity cycles in even years. Thus, 2006 has ended with a 4.5% rise in visitor numbers compared with 2004.

Fira de Barcelona organises 75% of Spain's major industrial and professional trade fairs, 15 of which are considered a reference in Europe and amongst the best in their specialist areas:

Ranking of Fira de Barcelona trade fairs that are a point of reference in Europe

Name	Rating	Sector
3GSM	No. 1	Mobile Telephony
Bread & Butter	No. 1	Urban fashion
Expoquimia	No. 1	Chemical
EIBTM	No. 1	Business trips, congresses
Hostelco	No. 1	Hotel and catering
Piscina	No. 1	Leisure and sports activities
Alimentaria	No. 2	Food and drink
Barcelona Meeting Point	No. 2	Real estate
Construmat	No. 2	Construction
SIL	No. 2	Logistics
Sonimagfoto	No. 2	Photography and audio-visual technology
Saló de l'Automòbil	No. 3	Vehicles
Caravaning	No. 3	Leisure and tourism
Graphispag	No. 3	Graphic arts and publishing
Saló Nàutic	No. 3	Nautical

Source: Fira de Barcelona

Some of the milestones of 2006 have been the 30 years of Alimentaria, the 25th anniversary of Saló Hostelco and the considerable growth of the Saló Nàutic Internacional de Barcelona (Barcelona International Boat Show), amongst the locally organised fairs. The outstanding success of the first 3GSM World Congress in Barcelona, the major international mobile telephony congress-trade fair, is just one of highly significant events worth mentioning. Bread & Butter, the major European urban fashion fair, and the World Cardiology Congress, were also highly successful.

Since 2004, fifteen new shows have been created, including EIBTM, 3GSM and Bread & Butter, world leaders in their sectors. Fira de Barcelona is working to continue to grow on the basis of quality, paying special attention to up-and-coming sectors, creating and attracting new trade fairs and promoting those that already exist.

In this respect, Fira de Barcelona will have new locally organised fairs to add to the current offer, with innovative proposals such as Bcnrail in October 2007 (dedicated to the railway and related industries) and Avante (the first trade fair devoted to personal autonomy and quality of life) in June 2008.

The Fira de Barcelona strategic plan for 2006-2015 also focuses on expanding the new Gran Via site and refurbishing the historic Montjuïc venue located in the centre of the city. Upon completion of the works in 2009, Barcelona will have the second largest trade fair facilities in Europe and the first in terms of design, technological innovation and customer service. All in all, it will occupy an area of 355,000 m² (115,000 m² in Montjuïc and 240,000 m² at the Gran Via site).

According to a study published in 2006, trade fair activity generates 2,200 million euros-2.4% of the Catalan GDP-and some 42,000 jobs. The economic impact consolidates the Fira's growth strategy and international reputation, as well as its role as an industry driving force and contributor to the region's economy.

8. QUALITY OF LIFE

Barcelona is a dynamic, modern and diverse city in which a deeply rooted entrepreneurial, commercial and corporate spirit has coexisted for centuries with the art of good living and the expressiveness of a rich culture and urban quality.

In 2006, and for the eighth consecutive year, European executives have chosen Barcelona as the European city with the highest quality of life for its employees.

European Cities with the best quality of life. 2006

Barcelona	1
Zurich	2
Madrid	3
Paris	4
Stockholm	5
Munich	6
London	7
Rome	8
Geneva	9
Lisbon	10

Source: Cushman & Wakefield Healey & Baker, 2006

According to a survey conducted by EOS-Gallup for the European Union on life in European cities, 9 out of 10 Barcelona residents are happy or very happy to be living in the city and only 1% declare that they are completely dissatisfied. The 2005 Eurobarometer survey ranks Barcelona as the 7th best place to live from a list of 31 cities.

Furthermore, Catalonia is considered the 15th best place to live in the world (Spain as a whole is at number 19) according to a study by IDESCAT based on a 2006 report by the United Nations Development Programme (PNUD).

8.1. Climate and environment

Barcelona's Mediterranean climate is characterised by pleasant moderate temperatures throughout the year, few days of rain and many hours of sunshine. With its mild climate and long daylight hours-up to 15 hours a day in the summer and no less than seven in the winter-daily life in Barcelona is associated with good weather and outdoor activities.

Climate indicators of Barcelona

Average annual temperature	17.6 °C
Extreme maximum temperature	35.8 °C
Extreme minimum temperature	-1.0 °C
Annual daylight hours	2.687

Source: Barcelona City Council, 2005

Barcelona's urban beaches, over 4.5 km in length, are the city's most frequently used leisure areas, with some 4.6 million users a year who enjoy a high level of safety, hygiene, facilities and easy access with public transport. People visit the beaches to swim, sail, sunbathe, go for a walk, play or enjoy the sea.

Many green areas, parks and gardens are spread around Barcelona and 364,349 trees line its streets.

Green areas in Barcelona

Urban parks (green areas for public use)	5,498,000 m ²
Urban green areas (green areas incorporated to the urban fabric)	10,423,000 m ²
Urban green spaces per capita	6.5 m ² /inhabitant

Source: Barcelona City Council, 2005

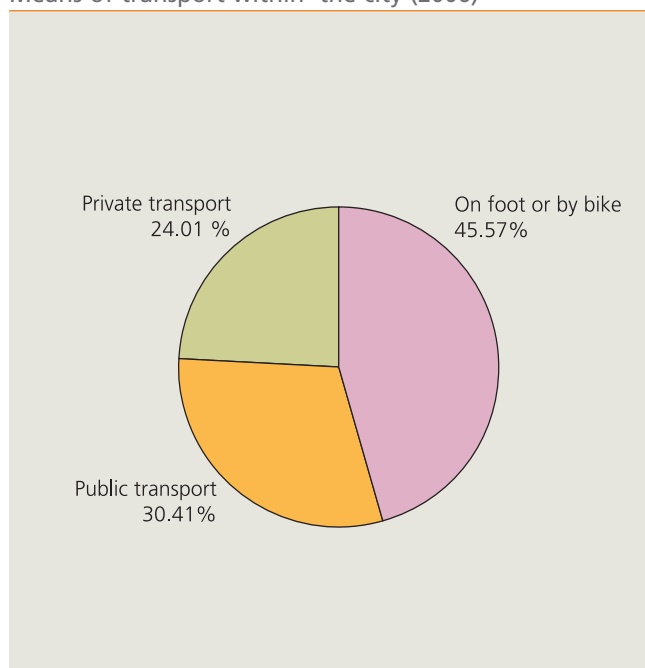
On the edge of the city is Collserola, a park with 8,000 hectares of woodland (1,795 in the municipal area). It is one of the world's largest natural areas located so close to a major city. Other protected natural areas are situated less than an hour away and are ideally suited for practising sports and taking part in outdoor activities.

8.2. Sustainable mobility

Barcelona's city model is based on the territorial balance of its districts and an attempt is made to guarantee optimal standards of urban quality throughout.

The city offers sustainable mobility and promotes the use of public transport and pedestrian areas. The average number of displacements in Barcelona and the rest of the Metropolitan Region in 2006 was 6.11 million per day, 69.58% within Barcelona and the remaining 30.42% were connections between the city and the rest of the region. According to the 2006 Working Day Mobility Survey, almost half of all travel within the city is made on foot or by bike (45.57%), and 30.41% is by public transport. Private transport as a means for getting around the city only accounts for 24.01%.

Means of transport within the city (2006)



Source: Metropolitan Transport Authority and Barcelona City Council

Barcelona has 128 kilometres of bike lanes and some 43,000 daily bike users. By the end of 2007, there are expected to be 150 km of bike lanes and up to 200 km in the medium term. The expansion of the network will include more surface bike parks, from the current seven thousand to 14 thousand by the end of the year. The urban lane system is complemented with a network of 60 km surrounding the metropolitan area, which is known as the Ronda Verda (Green Road) and includes the towns around Barcelona.

Furthermore, as of March 2007, citizens and visitors can enjoy a new public transport system: "bicing". This year, the system installed by Barcelona City Council will offer users up to 3,000 bikes for short journeys within the city.

The city has a comfortable, efficient public transport system (bus, underground, tram and suburban trains) that is comparatively very economical. In 2006, the public transport system was used by 910.7 million people, which represents a 2.7% rise over the year 2005.

Over the course of 2006, the public transport supply in the city and surrounding area has grown substantially: the railway network now has three new Trambaix stations following the launch of the Trambesòs T5 line, more towns have been included in the bus network's integrated fare system and the operating hours of the metro and Ferrocarrils de la Generalitat trains have been extended.

8.3. Vibrant cultural events

Barcelona's streets feature 913 monuments, including sculptures, fountains and other art and ornamental works, and a valuable architectural heritage (Roman ruins and examples of Romanesque, Gothic, Modernist and contemporary art) that constitute a major attraction for visitors. In fact, Barcelona is the only city in the world with nine UNESCO World Heritage buildings.

In 2006, over 15.6 million people visited Barcelona's 49 museums and exhibition centres. Some of the most popular and best known are the Picasso Museum, the new CosmoCaixa science museum and the Museu Nacional d'Art de Catalunya (MNAC). The Sagrada Família Temple is the most popular cultural monument in Spain, with 2.6 million visitors in 2006.

The city's music scene is particularly vibrant, featuring classical music and opera at the Auditori, Palau de la Música Catalana and Liceu, major concerts by pop and rock stars, and traditional, contemporary and experimental music. The Barcelona Summer Festival offers an extensive programme of cutting-edge stage performances and concerts.

Theatre has a deeply rooted tradition in Barcelona, with 49 theatres and 2.2 million spectators attended performances in public, commercial and smaller alternative venues in 2006.

There are 29 public libraries around the city, which received 4.9 million visitors in 2006. An example of Barcelona citizens' love of reading is the fact that 506,402 people have the membership card that gives access to the public library system.

Barcelona is also highly active in terms of film productions and screenings, and an increasing number of national and foreign producers choose it as the ideal location for shooting films, reports and ads. 418 productions were filmed in Barcelona in 2005, 41 of which were feature length. The city also hosts a variety of international film festivals (17 in 2005) and has 201 cinema screens that attracted 9.3 million viewers in 2006.

8.4. Sporting activities

Barcelona has the world's highest number of sports club members in relation to the number of inhabitants. In 2005, municipal facilities alone had 177,000 members, with sports being the city's main form of community involvement: 20.8% of its inhabitants (some 300,000 people) are members of a sports club.

A wide range of activities cater for the city's sporting spirit: 1,484 municipal sports centres spread throughout the city, 215 private facilities, 143 sporting events that received public funding in 2005 (six of which were of international scope) and attracted the participation of 155,504 people. In fact, Barcelona holds the Guinness world record for the highest number of runners in a popular race: the 1992 Cursa El Corte Inglés with 109,457.

8.5. Competitive cost of living

According to a study conducted in 2006 by Mercer Human Resource Consulting on the cost of living, Barcelona is among the most affordable cities in Europe.

Barcelona is not among the 50 most expensive cities for transferring executives: it ranks 56 in the world and 21 in Europe. In short, Barcelona is cheaper than Moscow (the most expensive European city due to its high-priced accommodation), London, Rome and Prague.

Comparison on the cost of living in cities worldwide

	The most expensive in the world	The most expensive in Europe
Moscow	1	1
London	5	2
Zurich	9	5
Milan	13	8
Dublin	18	11
Rome	21	12
Stockholm	36	16
Prague	50	19
Madrid	53	20
Barcelona	56	21

Source: Mercer Human Resource Consulting, 2006

8.6. Residential real estate market

As occurs in other Spanish cities, the housing market in Barcelona revolves largely around ownership property.

Construction of new housing in Barcelona has been significant, with 5,905 homes initiated and 3,675 finished in 2006. These figures are similar to those of the previous year, which suggests a deceleration of construction following many years of steady growth.

For the first time since 1997, the average price of new property has dropped 1.1% between the first and second semester of 2006. The price of new property is 5,791 €/m² of gross floor area, while the average price of second-hand property is 5,007 €/m² of net floor area. A sign that the demand may have peaked is that the number of new properties on offer has gone up 70.2%.

Protected restoration works have registered a strong growth in 2006, up 247.9%.

The highest price rise has occurred in the rented property market (up 15.2%), and for the first time since 2002 the number of new contracts in the rented property market has stabilised (23,975 rental contracts were signed in 2006). The average rental price is now 14.15 €/month/m².

Average housing prices in Barcelona, 2006

Rent (€/m ² /month)	14.15
Sale price for new housing (€/m ²)	5,791
Price for resale housing (€/m ²)	5,007

Source: Municipal Housing Authority - Barcelona City Council

The market share of protected housing was 31.3%, which means that a third of housing initiated in 2006 corresponded to property included in one of the support schemes set up by the public administration to offer more favourable conditions.

9. NEW PROJECTS FOR THE FUTURE

Barcelona is a dynamic city that is constantly reinventing itself with a view to the future. Thus, it is currently immersed in the largest urban and economic transformation project in its recent history.

New projects for the future aim to consolidate and extend economic development in the new knowledge society framework and within the parameters of sustainability, internationalisation, social cohesion and quality of life. Some of these projects surpass the city proper to cover its metropolitan region, strongly supporting the idea of a metropolitan city.

The most emblematic projects are highlighted on the following map:



 City Centre

1 22@, innovation district

Distance to the city centre: 2.5 Km.
200 hectares
3.2 million m² for productive activities
162 million euros for the Infrastructure Plan

Transformation of the old Poblenou industrial district into a new technology and innovation district, promoting the setting up of advanced services and knowledge-intensive activities.

Fostering a mix of uses, the area will become a place in which to live and work. A university and research campus, technology companies and centres, and industries devoted to the audiovisual, ICT and biomedical fields are helping to transform the district.

2 Expansion of the port and airport

Port:

Distance to the city centre: 2 Km.
Doubling of the sea area to 786 hectares
Doubling of the land area to 1,265 hectares
Increase of the wharf line to 29,702 metres
Expansion of the Logistics Activities Zone: 200 hectares

Airport

Distance to the city centre: 7 km.
New passenger terminal
High-Speed Train (TAV) station
Expansion of the cargo area
Airport City (complementary services and activities)
Improvement of accesses: road, rail and underground

Large-scale project involving the remodelling and expansion of airport and port facilities, which will increase both the quantity and quality of passenger transportation (up to 70 million in the case of the airport), freight and intermodal connections with other means of transport: road, rail and underground.

3 **Sagrera- Sant Andreu**

Distance to the city centre: 6.5 km.
163 hectares
53.5 hectares of green areas and a 5-km linear park
Construction of over 8,000 homes

Remodelling of a large area surrounding the new central station for the high-speed train in Sagrera. The intermodal station will accommodate short-distance trains, buses and the underground. Covering of the tracks and urban remodelling of neighbourhoods in the surrounding area. Construction of a museum dedicated to mobility.

4 **b_tec, Besòs Inter-University Campus**

Distance to the city centre: 7.5 Km.
8 hectares
148,000 m² developable
2,000 students and 180 faculty members (1st stage)

Creation of an area for the generation and transmission of knowledge and innovation. Based on the "triple helix" model that consists of bringing together science and technology, the Public Administration and the corporate world. Construction of the Edifici Campus, offices, Universitat Empresa, Barcelona School of Industrial Engineering, Energy Research Centre, a university residence hall and commercial areas.

5 **Plaça de les Glòries and the surrounding area**

Distance to the city centre: 2.5 Km.
600 million euros
36 blocks in the Eixample district will be affected
19-hectare rectangular plaza

Renovation works on Plaça de les Glòries and the surrounding area to convert it into one of the city's largest green spaces and an important intermodal public transport hub. Removal of the current overpass and creation of an underpass for vehicles. Construction of an underground system for trains, underground and tram. Remodelling of the surrounding area with new homes (some 1,200 flats, 55% subsidised housing), offices and facilities.

6 **The new Marina neighbourhood**

Distance to the city centre: 5 Km.
75 hectares, 12 hectares of green spaces
almost 12,000 new homes, 30,000 inhabitants
315.000 m² for economic activities

New neighbourhood with mixed-use areas for residential and economic activities in the traditionally industrial Zona Franca district of Barcelona. Use of the area: 30% roads, 35% residential and economic activities, 31% public areas and green spaces.

7 **New Verneda-Estadella neighbourhood**

Distance to the city centre: 9.5 Km.
72 hectares
10,000 new homes
5,000 inhabitants

New neighbourhood in a markedly industrial area located near the Ronda Litoral. Replacement of old factories, industrial premises and warehouses for office buildings and homes. Creation of schools, health centres and markets.











8 **Gran Via economic district (l'Hospitalet). Expansion of Fira de Barcelona**

Distance to the city centre: 5.5 Km.
163 hectares
30,000 jobs
260,800 m² of new homes

Urban remodelling of the Gran Via entry to Barcelona from l'Hospitalet, which will turn the area into one of the metropolitan area's economic drivers. The project includes the expansion of the Fira de Barcelona trade fair which will triplicate its current surface area to 240,000 m² to offer an exhibition capacity of 130,000 m².

10. INTERNATIONAL POSITION

Source

	<i>"Branding Communication Strategies for Cities in Europe".</i> Porter & Novelli. May 2006	The Barcelona brand is number 1 in Europe
	<i>"The Anholt City Brands Index".</i> Global Market Institute (GMI). December 2005	Barcelona is the 5th strongest city brand in the world
	<i>"European Cities Monitor".</i> Cushman & Wakefield Healey & Baker. September 2006	Barcelona, 4th European city for business
	<i>"World-wide cost of living survey 2005".</i> Mercer Human Resource Consulting. June 2006	Barcelona is no longer one of the 50 most expensive cities in the world
	<i>"European Cities Monitor".</i> Cushman & Wakefield Healey & Baker. September, 2006	First European city in terms of progress
	<i>"European Cities & Regions of the Future 2006-07".</i> Foreign Direct Investment (FDI). 2006	Western European City of the future and European city for transport
	<i>"European Cities Monitor".</i> Cushman & Wakefield Healey & Baker. September 2006	Best quality of life for professionals
	<i>"Emerging Trends".</i> Urban Land Institute (ULI). June 2006	5th European city that presents the best real estate prospects for 2006
	<i>"The International Association Meetings International Congress & Market 2005".</i> Convention Association (ICCA). April 2006	3rd city in the world in number of international congresses
	<i>Study by PriceWaterhouseCoopers.</i> Year 2007	Barcelona, in the club of cities with the strongest economies in the world
	<i>Urban Competitiveness project study.</i> Year 2006	Barcelona, one of the most competitive European cities

Positioning

According to the study conducted by the North American PR firm, Barcelona has a differentiated, prestigious brand, overtaking both Paris and London. Its history, public-private collaboration, political leadership and deeply rooted collective identity and sentiment are among its key success factors. In the category of tourism brands, Barcelona shares the lead with Paris and Prague.

Barcelona comes fifth after London, Paris, Sydney and Rome, and is therefore the most highly valued city that is not a capital of state. Amsterdam, New York, Los Angeles, Madrid and Berlin, among many others, are ranked below Barcelona.

Companies choose Barcelona as the best city to locate businesses, after London, Paris and Frankfurt. For the first time, Barcelona has overtaken Brussels and gone up one place in the consultancy firm's ranking based on interviews with 500 executives of Europe's top companies.

The report analyses the cost of living in 144 cities worldwide from the viewpoint of multinational companies sending professionals to work in other countries. Barcelona ranks 56, behind many European cities, including Madrid.

Barcelona leads the ranking of European cities that do the most to improve and progress, followed by Madrid, Prague and Berlin.

In the competition organised by the Financial Times group magazine, Barcelona came first in the Western European City of the Future, Best City in the Iberian Peninsula and European City for Transport categories. The latter is a result of the ambitious plans to improve different modes of transport: the arrival of the high-speed train, expansion of the port and airport, improvement of the metro network, etc.

For the eighth consecutive year, Barcelona has been deemed the best European city in terms of quality of life for professionals, followed by Zurich, Madrid and Paris.

According to the Urban Land Institute, formed by promoters, urban planners, lawyers and architects, Barcelona, together with Paris, London, Helsinki and Madrid, offer the most attractive real estate investment options.

According to statistics collected by the association, Barcelona ranked third in the number of international conventions organised in 2005, only behind Vienna and Singapore.

According to the consulting firm, Barcelona comes in at number 31, above cities such as Shanghai and Singapore, on the list of the 36 cities with the strongest economies, which are responsible for 16% of world production.

Barcelona is amongst the most competitive European cities according to the conclusions of reputed professor Peter Karl Kresl at the University of Pennsylvania in his study Urban Competitiveness Project, which analyses competitiveness amongst leading cities worldwide. Universities in China, United States, Europe, Canada and Mexico took part in the study.

11. FOR FURTHER INFORMATION

- Barcelona Airport - AENA, Spanish Airport Authority:
www.aena.es
 - Barcelona City Council, local government:
www.bcn.cat
 - Catalan Investment Agency (ACI):
www.catalonia.com
 - Barcelona Activa, local economic development agency:
www.barcelonactiva.es
 - Barcelona Centre Universitari (BCU, Barcelona University Centre): www.bcu.cesca.es
 - Official Chamber of Commerce, Industry and Navigation of Barcelona: www.cambrabcn.es
 - Casa Asia, public institution that promotes knowledge of and relationships with Asia: www.casaasia.org
 - Centre for Innovation and Business Development (CIDEM):
www.cidem.com
 - Consortium for the Commercial Promotion of Catalonia (COPCA): www.copca.cat
 - Foreign Trade Statistics of the Spanish Tax Agency:
www.aeat.es/aduanas/estadist/
 - Investment statistics of the Secretary of State for Trade and Tourism: www.mcx.es
 - Fira de Barcelona:
www.firabcn.es
 - Spanish Institute for Foreign Trade (ICEX):
www.icex.es
 - Spanish National Statistical Institute (INE):
www.ine.es
 - Catalan Statistical Institute (IDESCAT):
www.idescat.net
 - Barcelona Institute of Regional and Metropolitan Studies (IERMB): www.uab.es/iemb/
 - Statistical Office of the European Communities (EUROSTAT):
www.europa.eu.int/comm/eurostat/
 - Generalitat de Catalunya, Autonomous Government of Catalonia: www.gencat.cat
 - Industrial Pact of the Metropolitan Region of Barcelona:
www.pacteind.org
 - Strategic Metropolitan Plan of Barcelona:
www.bcn2000.es
 - Port of Barcelona - Barcelona Port Authority:
www.apb.es
 - 22@ Municipal Society:
www.bcn.cat/22@bcn
 - Barcelona Tourism:
www.barcelonaturisme.com
-



Ajuntament  de Barcelona

ECONOMIC PROMOTION

Avinyó 7 1st floor - 08002 Barcelona - Spain. Tel: +34- 93 402 33 52 / Fax: +34- 93 402 75 97

a/e: barcelonanegocis@bcn.cat / www.bcn.cat/barcelonanegocis